

MAINTENANCE LEVEL 2

M2-MM Growth in Client ID Card Issuance

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) requests \$720,000 (\$262,000 GF-State) in the 2016 Supplemental to address increased ProviderOne operations cost due to an increase in the volume of ProviderOne Magnetic Identification (MagID) cards that are issued to Medicaid clients.

PACKAGE DESCRIPTION

The HCA generates and mails MagID cards through the ProviderOne system. The current ProviderOne contract includes a fixed price baseline cost to issue up to 360,000 cards annually. Since the implementation of Medicaid expansion, the actual volume of new and replacement cards has exceeded the contract baseline volume. During the first year of Medicaid expansion, the actual card volume exceeded 770,000. Data that is more recent indicates the ongoing volume will be less than the first year, but will continue to exceed the baseline volume. Based on actual counts for the first four months of 2015, the new estimate for production of MagID cards is 660,000 per year at an increased cost of \$360,000 (\$131,000 GF-State) annually.

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FISCAL DETAILS/OBJECTS OF EXPENDITURE

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
1. Operating Expenditures:			
Fund 001-1 GF-State	\$ 131,000	\$ 131,000	\$ 262,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ 229,000	\$ 229,000	\$ 458,000
Total	\$ 360,000	\$ 360,000	\$ 720,000
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
2. Staffing:			
Total FTEs	-	-	-

	FY 2016	FY 2017	Total
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ 360,000	\$ 360,000	\$ 720,000
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ -	\$ -
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ 360,000	\$ 360,000	\$ 720,000
	FY 2016	FY 2017	Total
4. Revenue:			
Fund 001-C GF-Federal Medicaid Title XIX	\$ 229,000	\$ 229,000	\$ 458,000
Total	\$ 229,000	\$ 229,000	\$ 458,000

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

This request provides funding to cover the cost of new and replacement MagID cards where the actual volume has exceeded the contract baseline volume. Medicaid MagID cards provide a form of identification when a client visits a doctor, hospital or other provider; use of the ProviderOne Client ID displayed on the front of the card is an effective way to access a client's eligibility information. If the HCA were unable to issue MagID cards, clients would be at risk of delay or denial of services to which they are entitled, and providers would need to rely on other means of verifying client eligibility at the time of service.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H003 Information Technology

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Distribution of MagID cards is essential to facilitate client access to services, a core process identified in the HCA's Strategic Plan. The MagID cards allow providers to quickly verify client Medicaid eligibility at the time of service.

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes. Funding this package allows us to support Governor Inslee's Results Washington – Goal 4: Healthy and Safe Communities, and Goal 5: Effective, Efficient, and Accountable Government. Clients have expectations that they will be able to receive care when they need it. Providers have an expectation that they would be able to verify client eligibility at the time of service. Funding this request provides resources for the HCA to continue to meet clients and providers' expectations.

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

This funding is necessary to ensure clients would not be at risk of delay or denial of services to which they are entitled.

Providers would easily be able to verify client eligibility at the time of service.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

MagID cards are already generated from the ProviderOne system; the HCA did not explore alternatives.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Clients would be at risk of delay or denial of medical services to which they are entitled if this request is not adopted.

Providers would be unable to verify client eligibility at the time of service.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

An amendment for the existing contract with Client Network Services Incorporated (CNSI) will be required to account for the ongoing increase in the volume of ProviderOne MagID cards.

REVENUE AND EXPENDITURE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

Revenue assumes that the additional costs will qualify for enhanced federal financial participation (FFP). Production costs will qualify for 75 percent FFP and the postage costs will qualify for 50 percent FFP.

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

The existing contract with CNSI will be utilized for the increase in the volume of ProviderOne MagID cards.

The volume is based on continued trends for the period of January 1 through April 30, 2015.

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

The full amount of this request is an ongoing cost.

BUDGET IMPACTS IN FUTURE BIENNIA:

All costs will carry forward into future biennia.